Subject: Implementation of the Public Housing Assessment System (PHAS) Interim Rule

1. Purpose
This notice provides public housing agencies (PHAs) with instructions for the implementation of the PHAS Interim Rule, which will be published February 23, 2011.

2. Background
The Public Housing Operating Fund Rule published September 19, 2005, requires PHAs to implement asset management.

The Public Housing Assessment System Interim Rule aligns PHAS with the asset management model by providing project level performance information where possible.

A copy of the Interim Rule is posted at:


3. Effective Date of the Interim Rule
The Interim Rule will be effective 30 days from the date the rule is published in the Federal Register.

4. Scoring for PHAs with Fiscal Year (FYE) Ending December 31, 2010
PHAs with FYE December 31, 2010 will be scored in accordance with existing Transition Year Two Extended guidance. PHAs will be required to submit their management operations certification, unless they submit a waiver request within 30 days of the publication of this notice.
5. **Scoring for PHAs with FYE March 31, 2011 and forward.**

PHAs with FYE March 31, 2011 and forward will be assessed in accordance with the Interim Rule. Scoring under the Interim Rule will be based upon the following information from HUD systems:

- The Financial Assessment Sub System
- The Inventory Management System – Public Housing Information Center (IMS-PIC)
- Electronic Line of Credit Control System (eLOCCS)

PHAs must continue to submit unaudited and audited financial information as required by 24 CFR Part 5 and 24 CFR Part 902.

6. **Interim Rule Comment Period**

The Interim Rule provides for a 60 day comment period from the date the Interim Rule is published. Please do not submit any comments until the official date of publication on the Federal Register, which will be February 23, 2011. The due date for comments does not impact the implementation date of the Interim Rule.

7. **Further Information**

All questions at the PHA level are to be referred to the appropriate field office.

8. **Paperwork Reduction**

The information collection requirements contained in this notice have been approved by the Office of Management and Budget (OMB) under the Paperwork Reduction Act of 1995 (44 U.S.C. 3520) and assigned OMB Control Numbers 2577-0237, 2535-0106, 2502-0369 and 2535-0107. In accordance with the Paperwork Reduction Act, HUD may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection displays a currently valid OMB control number.

/s/
Sandra B. Henriquez,
Assistant Secretary for Public and Indian Housing